



# *OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY AGENDA REPORT*

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**MEETING DATE:** 8/20/12

**CONTROL NO:**

**ITEM NO:**

**SUBJECT:** RESOLUTION NO. OB 12-06

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD FROM JANUARY 1, 2013 THROUGH JUNE 30, 2013, AND TAKING CERTAIN RELATED ACTIONS

**FROM:** SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY

**PRESENTATION BY:** JUSTINE MENZEL, DEPUTY EXECUTIVE DIRECTOR

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## ***RECOMMENDATION***

It is recommended that the Oversight Board approve Oversight Board Resolution No. 12-06 approving Recognized Obligation Payment Schedule (ROPS) No. 3.

## ***BACKGROUND***

Pursuant to AB X1 26, the Successor Agency must prepare a Recognized Obligation Payment Schedule ("ROPS") for each six-month fiscal period (commencing each January 1 and July 1), listing the payments to be made by the Successor Agency during such period. All ROPS must be approved by the Oversight Board. Furthermore, each Oversight Board-approved ROPS must be submitted to the State Department of Finance ("DOF") for review.

On June 27, 2012, the Governor signed the State budget trailer bill AB 1484, which became effective immediately. AB 1484 imposes new requirements and deadlines, beginning with the ROPS covering the period from January 1, 2013 through June 30, 2013 ("ROPS No. 3").

### ***Deadlines for ROPS Submission and Review***

AB 1484 does not specify a deadline for the Successor Agency to submit ROPS No. 3 to the Oversight Board for approval. However, the Successor Agency must submit an Oversight Board-approved ROPS No. 3 to the DOF, the Office of the State Controller

### **ROPS No. 3**

August 20, 2012

Page 2

and the County Auditor-Controller no later than **September 1, 2012**. The Successor Agency must submit the ROPS to the DOF electronically in the manner of DOF's choosing. A copy of the Oversight Board-approved ROPS must be posted on the Successor Agency's website.

The DOF may eliminate or modify any items on the ROPS before approving the ROPS. The DOF must make its determination regarding the enforceable obligations and the amount and funding source for each enforceable obligation listed on a ROPS no later than 45 days after the ROPS is submitted. Within five business days of the DOF's determination, the Successor Agency may request to "meet and confer" with the DOF on disputed items. The meet and confer period may vary, but an untimely submission of ROPS No. 3 may result in a meet and confer period of less than 30 days.

The County Auditor-Controller may object to the inclusion of any item on the ROPS that is not demonstrated to be an enforceable obligation and may object to the funding source proposed for any item. The County Auditor-Controller must provide notice of its objections to the DOF, the Successor Agency and the Oversight Board by October 1, 2012.

#### **Penalties for Failure to Make Timely Submission**

If the Successor Agency does not submit an Oversight Board-approved ROPS by September 1, 2012, the City of Artesia will be subject to a civil penalty of \$10,000 per day for every day that the ROPS is not submitted to the DOF. The penalty is to be paid to the County Auditor-Controller for distribution to the taxing entities. If the Successor Agency does not timely submit a ROPS, creditors of the successor agency, the DOF, and affected taxing entities may request a writ of mandate to require the Successor Agency to immediately perform this duty. Additionally, if the Successor Agency does not submit a ROPS within 10 days of September 1st, the Successor Agency's administrative cost allowance for that period will be reduced by 25 percent.

If the Successor Agency fails to submit an Oversight Board-approved ROPS to the DOF within five business days of "the date upon which the ROPS is to be used to determine the amount of property tax allocations", the DOF may determine whether the County Auditor-Controller should distribute any of property tax revenues to the taxing entities, or whether any amount should be withheld for enforceable obligations pending approval of the ROPS. It is not clear what is "the date upon which the ROPS is to be used to determine the amount of property tax allocations."

#### **FISCAL IMPACT:**

The preparation and submittal of ROPS No. 3 is for the purpose of allowing the Successor Agency to pay its enforceable obligations for the period from January 1, 2013 to June 30, 2013.

**ROPS No. 3**

August 20, 2012

Page 3

**ENVIRONMENTAL IMPACT:**

There will be no new environmental impact associated with adoption of the attached Resolution.

**RECOMMENDATION:**

Staff recommends that the Oversight Board for the Successor Agency to the Artesia Redevelopment Agency adopt Resolution No. OB 12-06, approving the Recognized Obligation Payment Schedule for the six-month fiscal period from January 1, 2013 through June 30, 2013 and taking certain related actions.

**Attachments:**

Resolution No. OB 12-06

## **RESOLUTION NO. OB 12-06**

### **A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD FROM JANUARY 1, 2013 THROUGH JUNE 30, 2013, AND TAKING CERTAIN RELATED ACTIONS**

#### **RECITALS:**

A. Pursuant to Health and Safety Code Section 34177(l), the Successor Agency to the Artesia Redevelopment Agency (the "Successor Agency") must prepare a proposed Recognized Obligation Payment Schedule ("ROPS") before each six-month fiscal period (commencing each January 1 and July 1) and submit each proposed ROPS to the oversight board for the Successor Agency (the "Oversight Board") for approval.

B. Pursuant to Health and Safety Code Section 34177(l)(2)(C) and (m), the Successor Agency must (1) submit the Oversight Board-approved ROPS for the six-month fiscal period from January 1, 2013 through June 30, 2013 ("ROPS No. 3"), to the DOF, the Office of the State Controller, and the County Auditor-Controller no later than September 1, 2012; and (2) post a copy of the Oversight Board-approved ROPS No. 3 on the Successor Agency's website.

#### **NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:**

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves proposed ROPS No. 3, substantially in the form attached hereto as Exhibit A. Staff of the Successor Agency is hereby authorized and directed to submit a copy of Oversight Board-approved ROPS No. 3 to the DOF, the Office of the State Controller, and the County Auditor-Controller and to post a copy of the Oversight Board-approved ROPS No. 3 on the Successor Agency's Internet website (being a page on the Internet website of the City of Artesia).

Section 3. The Oversight Board hereby designates the Successor Agency Deputy Executive Director, as the official designated to whom DOF may make a request for review in connection with actions taken by the Oversight Board.

Section 4. The officers of the Oversight Board and the staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including requesting additional review by the DOF and an opportunity to meet and

confer on any disputed items, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

**PASSED, APPROVED AND ADOPTED** this 20th day of August, 2012.

AYES:

NOES:

ABSENT:

ABSTAIN:

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WILLIAM A HOLT, CHAIRMAN

ATTEST:

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GLORIA CONSIDINE, SECRETARY

**EXHIBIT A**

**SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY  
RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
(January 1, 2013 through June 30, 2013)**

## Successor Agency Contact Information

|                                   |  |
|-----------------------------------|--|
| Name of Successor Agency:         | Successor Agency to the Artesia<br>Redevelopment Agency                |
| County:                           | Los Angeles  |
| Primary Contact Name:             | Justine Menzel   |
| Primary Contact Title:            | Deputy Executive Director  |
| Address                           | 18747 Clarkdale Ave. Artesia, Ca                                       |
| Contact Phone Number:             | 562-865-6262 x252  |
| Contact E-Mail Address:           | <a href="mailto:jmenzel@cityofartesia.us">jmenzel@cityofartesia.us</a> |
| Secondary Contact Name:           | Maria Dadian   |
| Secondary Contact Title:          | Executive Director   |
| Secondary Contact Phone Number:   | 562-865-6262 x237  |
| Secondary Contact E-Mail Address: | <a href="mailto:mdadian@cityofartesia.us">mdadian@cityofartesia.us</a> |

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency: Successor Agency to the Artesia Redevelopment Agency

|  |   |
|--|---|
|  | Total Outstanding<br>Debt or Obligation |
| Outstanding Debt or Obligation   | \$ 44,984,857                           |
| Current Period Outstanding Debt or Obligation  | Six-Month Total                         |
| A Available Revenues Other Than Anticipated RPTTF Funding  | 2,678,015                               |
| B Anticipated Enforceable Obligations Funded with RPTTF  | 635,528                                 |
| C Anticipated Administrative Allowance Funded with RPTTF   | 228,267                                 |
| D Total RPTTF Requested (B + C = D)  | 863,795                                 |
| Total Current Period Outstanding Debt or Obligation (A + B + C = E) Should be the same amount as ROPS form six-month total   | \$ 3,541,810                            |
| E Enter Total Six-Month Anticipated RPTTF Funding (Obtain from county auditor-controller)*   | 863,795                                 |
| F Variance (E - D = F) Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding   | \$ -                                    |
| Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))  |   |
| G Enter Estimated Obligations Funded by RPTTF (Should be the lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)** | 237,101                                 |
| H Enter Actual Obligations Paid with RPTTF***  | 237,101                                 |
| I Enter Actual Administrative Expenses Paid with RPTTF   | -                                       |
| J Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)   | -                                       |
| K Adjusted RPTTF (The total RPTTF requested shall be adjusted if actual obligations paid with RPTTF are less than the estimated obligation amount.)                  | \$ 863,795                              |

Certification of Oversight Board Chairman:  
Pursuant to Section 34177(m) of the Health and Safety code,  
I hereby certify that the above is a true and accurate Recognized  
Obligation Payment Schedule for the above named agency.

Name

Title

Signature

Date

\* The Finance Officer of the Successor Agency has made inquiry with the County Auditor-Controller's Office, but has not yet received an estimate. The number entered represents the amount that the Successor Agency believes it should receive.

\*\* The County of Los Angeles did not make any disbursement from the RPTTF during ROPS I period. The number entered represents an allocable amount from FY 2011-12 tax increment received by Artesia Redevelopment Agency, exclusive of pass-through payments.

\*\*\* See footnote above. The number entered equals the amount paid with FY 2011-12 tax increment received by the Artesia Redevelopment Agency, exclusive of pass-through payments.

The Successor Agency is completing and submitting the enclosed information under protest. The Successor Agency's completion and submission of ROPS III in the format mandated by the DOF does not waive and shall not be construed as a waiver by the Successor Agency of its right to challenge in any administrative, judicial or other proceeding, the validity of the DOF's template, its inconsistency with the governing statutes, or the legality or accuracy of any of the underlying assumptions on which the template is premised.



Successor Agency to the Artesia Redevelopment Agency

Los Angeles

Oversight Board Approval Date: \_\_\_\_\_

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III)**  
**January 1, 2013 through June 30, 2013**

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Successor Agency to the Artesia Redevelopment Agency  
Los Angeles

|             |
|-------------|
| Los Angeles |
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**RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III) -- Notes (Optional)**  
**January 1, 2013 through June 30, 2013**

| Item # | Notes/Comments  |
|--------|---|
| 5      | This item was submitted on July 3, 2012 for reconsideration. On July 12, 2012, the Department of Finance issued a notice that any and all revised ROPS submitted to Finance for previous ROPS period are hereby rejected. Requests to reconsider denited or disputed ROPS items will be addressed in their January through June 2013 ROPS review. Furthermore, the Successor Agency is not asking for an adjustment in RPTTF allocations remitted on June 1, 2012 or any subsequent allocation date, but to utilize bond proceeds on hand for the implementation of a project and contracts lawfully approved by the former Redevelopment Agency. The Successor Agency has extensive supporting documentation for this line item. Alternatively, the Successor Agency seeks to have this approved as a "wind down" expense through the cooperative agreement between the Successor Agency and the City. |
| 6      | All or a portion of items 7-15 shall be repaid to city pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/2012.  |
| 7      | All or a portion of items 7-15 shall be repaid to city pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/2012.  |
| 8      | All or a portion of items 7-15 shall be repaid to city pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/2012.  |
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| 15     | All or a portion of items 7-15 shall be repaid to city pursuant to the Cooperative Agreement for advance and reimbursement of administrative, overhead and other expenses as adopted and effective 2/1/2012.  |
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|        | The Successor Agency is completing and submitting the enclosed information under protest. The Successor Agency's completion and submission of ROPS III in the format mandated by the DOF _____  |
|        | does not waive and shall not be construed as a waiver by the Successor Agency of its right to challenge in any administrative, judicial or other proceeding, the validity of the DOF's template, its inconsistency with the _____   |
|        | governing statutes, or the legality or accuracy of any of the underlying assumptions on which the template is premised. _____   |
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Successor Agency to the Artesia Redevelopment Agency

Los Angeles

Los Angeles

**January 1, 2012 through June 30, 2012**

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